

Message Text

SECRET

PAGE 01 STATE 142372
ORIGIN NEA-10

INFO OCT-01 ISO-00 EB-07 SS-15 NSC-05 SSO-00 NSCE-00
/038 R

DRAFTED BY NEA:SSOBER:BF
APPROVED BY THE SECRETARY
EB - MR. KATZ
E - MR. COOPER (SUBS)
S/S - MR. TARNOFF
NSC MR. QUANDT
WHITE HOUSE MR. BERGOLD
S/S-O: RGAMBLE

-----181844Z 001551 /43

O 181828Z JUN 77
FM SECSTATE WASHDC
TO AMEMBASSY JIDDA IMMEDIATE

S E C R E T STATE 142372

E.O. 11652: GDS

TAGS: ENRG, OPEC, SA

SUBJECT: OIL PRICES: MESSAGE FROM THE SECRETARY TO CROWN
PRINCE FAHD

1. PLEASE DELIVER THE FOLLOWING LETTER FROM THE
SECRETARY TO FAHD:

2. BEGIN TEXT:

YOUR ROYAL HIGHNESS, YOUR RECENT VISIT HERE DID MUCH TO
REAFFIRM AND STRENGTHEN THE RELATIONSHIP BETWEEN OUR TWO
COUNTRIES. THE PRESIDENT AND THE OTHERS OF US WHO WERE
PRIVILEGED TO MEET WITH YOU BENEFITTED GREATLY FROM YOUR
VIEWS AND COUNSEL ON A WIDE VARIETY OF ISSUES. WE SHALL
SECRET

SECRET

PAGE 02 STATE 142372

WISH TO KEEP IN CLOSE TOUCH WITH YOU ON THE BROAD RANGE OF
MATTERS AFFECTING THE COMMON INTERESTS OF OUR NATIONS.

I WOULD LIKE TO RAISE WITH YOU AT THIS TIME ONE SUBJECT
OF VERY HIGH AND CONTINUING IMPORTANCE TO BOTH OF OUR
COUNTRIES AND ALSO TO THE GLOBAL ECONOMY: THE QUESTION OF
OIL PRICES. WHEN YOU WERE HERE, THE PRESIDENT EXPRESSED

OUR APPRECIATION FOR THE POLICY OF YOUR GOVERNMENT ON THIS SUBJECT, AND WE WERE EXTREMELY PLEASED TO HEAR YOUR REAFFIRMATION OF THE DETERMINATION OF THE KINGDOM OF SAUDI ARABIA TO CONTINUE ITS COURSE OF MODERATION WITH REGARD TO OIL PRICES.

FOLLOWING YOUR VISIT, THERE HAVE BEEN SOME REPORTS TO THE EFFECT THAT YOUR GOVERNMENT INTENDS TO INCREASE THE PRICE OF SAUDI OIL BY FIVE PERCENT WITHIN THE COMING MONTH, IN THE CONTEXT OF THE FORTHCOMING OPEC MEETING. THESE SAME REPORTS STATE THAT THE ELEVEN MEMBERS OF OPEC WHICH INCREASED THEIR PRICES BY TEN PERCENT LAST JANUARY WOULD FOREGO ANY ADDITIONAL PRICE INCREASE UNTIL THE END OF 1977. WE DO NOT KNOW WHETHER THESE REPORTS ARE CORRECT.

FROM OUR POINT OF VIEW, IT APPEARS CLEAR THAT THE INTERESTS OF THE GLOBAL ECONOMY WOULD BE BEST SERVED BY AVOIDING FURTHER INCREASES IN THE PRICE OF OIL. WITH REGARD TO ANY POSSIBLE PRICE INCREASES WHICH YOUR GOVERNMENT MIGHT BE PLANNING FOR THE REMAINING MONTHS OF THIS YEAR, WE TRUST THAT YOU ARE ALSO CONSIDERING THE DESIRABILITY OF ACHIEVING AN UNDERSTANDING THAT WOULD CALL FOR A PERIOD OF STABILITY IN THE PRICES OF THE OTHER PRODUCERS BEYOND THE END OF 1977.

I WOULD VALUE GREATLY YOUR SHARING WITH ME YOUR THOUGHTS AT THIS TIME ON THE PROSPECTS FOR OIL PRICING IN THE MONTHS AHEAD. AS WE AGREED DURING YOUR VISIT HERE, CONTINUED COOPERATION BETWEEN OUR TWO COUNTRIES ON ENERGY MATTERS

SECRET

SECRET

PAGE 03 STATE 142372

WILL REMAIN OF THE HIGHEST IMPORTANCE. FOR OUR PART, THE PRESIDENT IS CONTINUING TO PRESS HIS PROPOSALS FOR A UNITED STATES ENERGY PROGRAM THAT PLACES SPECIAL EMPHASIS ON THE NEED FOR MAXIMUM CONSERVATION, AND WE WILL WISH TO KEEP YOU INFORMED OF THE PROGRESS OF OUR EFFORTS IN THIS REGARD.

THE PRESIDENT HAS ASKED ME TO CONVEY TO YOU, AND THROUGH YOU TO KING KHALID, HIS WARMEST WISHES AND HIS HOPES FOR YOUR GOOD HEALTH. I JOIN IN THESE WISHES AND HOPES.

SINCERELY, CYRUS VANCE END TEXT. VANCE

SECRET

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, PRICES
Control Number: n/a
Copy: SINGLE
Sent Date: 18-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE142372
Document Source: CORE
Document Unique ID: 00
Drafter: SSOBER:BF
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770218-1164
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770642/aaaabkmq.tel
Line Count: 107
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 1365827a-c288-dd11-92da-001cc4696bcc
Office: ORIGIN NEA
Original Classification: SECRET
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: SECRET
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 07-Apr-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2102454
Secure: OPEN
Status: NATIVE
Subject: OIL PRICES: MESSAGE FROM THE SECRETARY TO CROWN PRINCE FAHD
TAGS: ENRG, SA, OPEC, (VANCE, CYRUS R), (FAHD, PRINCE)
To: JIDDA
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/1365827a-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009